



Irish Life Weekly Investment Bulletin

The week that was – WEEK 26 2018 (ending 29/06/2018)

**“Take the first step in faith. You don’t have to see the full staircase, just take the first step.” –
Martin Luther King, Jr**

Irish retail sales up 4.3% on an annual basis in May – The Central Statistics Office reported that retail sales volumes rose by 4.3% year-on-year in May (0.1% on a monthly basis), but by 4.7% y-o-y (1.5% on a monthly basis) excluding motor sales. The largest monthly sector increase was Hardware, Paints & Glass, at 8.9%.

Eurozone headline inflation in June above ECB target – The preliminary estimate from Eurostat shows headline inflation at 2% in the year to June (1.9% in May), compared to the European Central Bank targeted rate of just below 2%. This is the highest rate since early 2017, pushed up in the main by higher oil prices.

Global stock market down 1.1% on the week – The MSCI AC World TR Index showed a minus 1.10% return from 22nd June to 29th June, as markets see-sawed with some of the initial large trade war concern losses recovered later in the week. The Volatility Index (Vix) closed the week higher at 16.09, up from 13.77.

Trump compromise on Chinese investment in the U.S. – New fears of an escalation in U.S. protectionism against Chinese investments within the U.S. were reduced by Donald Trump saying he would rely on the Committee on Foreign Investment in the United States (CFIUS) to protect intellectual property rights instead.

New EU deal on immigration agreed – Italy’s new prime minister, Giuseppe Conte, negotiated a package of measures at his first European Union leaders’ summit including member states voluntarily setting up holding centres for asylum seekers and speeding up the decision either to grant asylum or them to be returned home.

Japanese unemployment rate in May hits lowest level since 1992 – The Ministry of Internal Affairs and Communications announced an unemployment rate of 2.2% in May, compared to April’s 2.5% and the lowest level since Q3 1992. The rate was well below analysts’ expectations of 2.5% as the labour shortage deepens.

The Story of the week: Atlanta police in the U.S. have issued an arrest warrant for 62-year-old William Baccus, who has been banned from calling Emergency Services after allegedly dialing 911 (our 999 equivalent) a total of 118 times in the last three years to get firefighters and paramedics, who had rushed to his house expecting an emergency, to do mundane tasks around his home, such as bring him milk, find his mobile phone or look for his TV remote.

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Index Performances and Market Data*

Equity and Bond Markets % (in Local Currency)	2013	2014	2015	2016	2017	2018 YTD (to 29/06)
MSCI AC World (Gross TR)	26.2	9.9	1.8	9.7	20.4	1.1
ISEQ Overall Return	35.8	16.8	33.6	-2.7	9.7	0.2
FTSE 100 TR	18.7	0.7	-1.3	19.1	11.8	1.7
Euro Stoxx 50 TR	21.5	4.0	6.4	3.7	9.2	-1.0
S&P 500 TR	32.4	13.7	1.4	12.0	21.8	2.6
Nasdaq Composite	38.3	13.4	5.7	7.5	28.2	8.8
Nikkei 225	56.7	7.1	9.1	0.4	19.1	-2.0
MSCI Emerging Markets	0.9	2.6	-8.0	7.1	27.8	-3.8
Eurozone Government Bonds 1-5 yr	2.1	3.4	1.0	0.9	-0.2	-0.3
Sovereign 10yr Bond Yields (%)	2013	2014	2015	2016	2017	2018 YTD
U.S.	3.0	2.2	2.2	2.4	2.4	2.8
German	1.9	0.5	0.6	0.2	0.4	0.3
UK	3.0	1.9	1.9	1.2	1.2	1.3
Japan	0.7	0.3	0.2	0.0	0.0	0.0
Ireland	3.4	1.3	1.1	0.7	0.7	0.8
Italy	4.1	2.1	1.6	1.8	2.0	2.7
Greece	8.2	9.6	7.9	7.1	4.1	4.0
Portugal	6.1	2.7	2.5	3.8	1.9	1.8
Spain	4.1	1.6	1.7	1.4	1.6	1.3
Central Bank Rates (%)	2013	2014	2015	2016	2017	2018 YTD
ECB	0.25	0.05	0.05	0.0	0.0	0.0
Bank of England	0.25	0.50	0.50	0.25	0.50	0.50
U.S. Federal Reserve	0.25	0.25	0.50	0.75	1.50	2.0
Foreign Exchange Rates	2013	2014	2015	2016	2017	2018 YTD
Euro/Dollar (€/\$)	1.37	1.21	1.09	1.04	1.20	1.16
Euro/Sterling (€/£)	0.83	0.78	0.75	0.84	0.89	0.89
Sterling/Dollar (£/\$)	1.65	1.56	1.46	1.24	1.36	1.31
IPD All Property Return % (in Local Currency)	2013	2014	2015	2016	2017	2018 YTD
Ireland	12.3	36.1	25.1	12.6	8.1%	2.8% (To end of Q1)
U.K.	10.7	17.8	13.1	3.6	10.3%	1.9% (To end of Q1)
U.S.	11.4	11.2	12.1	7.8	7.1%	2.2% (To end of Q1)

*Past performance is not a reliable guide to future performance and may fall as well as rise.